



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 6/19/2008

GAIN Report Number: UP8012

Ukraine

Grain and Feed

Grains Monthly Overview

2008

Approved by:

W. Garth Thorburn, Agricultural Attaché
U.S. Embassy

Prepared by:

Olena Pereyatenets, Agricultural Specialist

Report Highlights:

The government of Ukraine cancelled grain export quotas in the end of May 2008, partially in anticipation of the new crop which is expected to be significant. Exports have increased drastically but not enough to clear stocks of major grains held in inland silos. The market has not rebounded completely and the domestic market is experiencing price decreases. The government gave assurances that new grain export quotas would not be introduced during marketing year 2008/2009.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Kiev [UP1]
[UP]

Policy

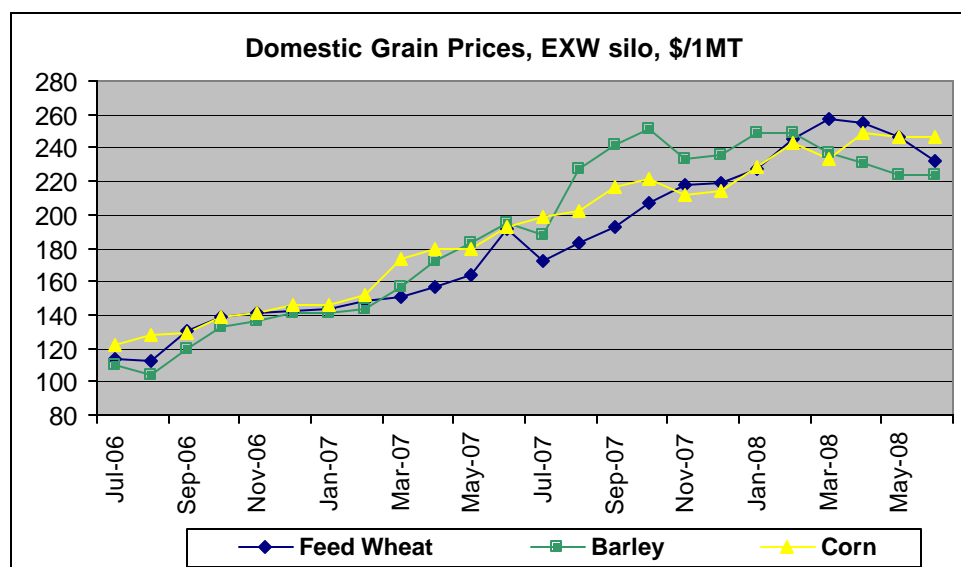
On May 21, 2008, the Prime Minister of Ukraine signed Decree # 470, canceling export quotas for grains. The Decree was published and implemented on May 23, 2008.

The Minister of Agriculture followed up with an interview on May 30 and announced that the government would not introduce any restrictions on grain exports since the forecast for the new marketing season is for a good crop. He also stated that the government must ensure food safety in Ukraine, but the security would be guaranteed by other policies. The government plans to form the State Food Fund and procure up to 14% of the amount of grain that is consumed yearly. More specifically, the Minister announced that the Fund plans to purchase 800,000 tons of wheat and 78,000 tons of rye in marketing year 2008/2009.

Market

Prices for all major grains are decreasing due to reduced demand from exporters. Trading companies are now attempting to clear their current stocks and export grains that were procured during marketing year 2007/2008.

A new wave of trading activity is expected to begin in July 2008 when harvesting of the new crop (marketing year 2008/2009) is in the full swing. The southern regions of Ukraine began harvesting on June 20. First grain yields are very high compared to historical average and are on the level of 3 MT per ha, when average yield was about 2,2 - 2,4 MT per ha last year.



Export

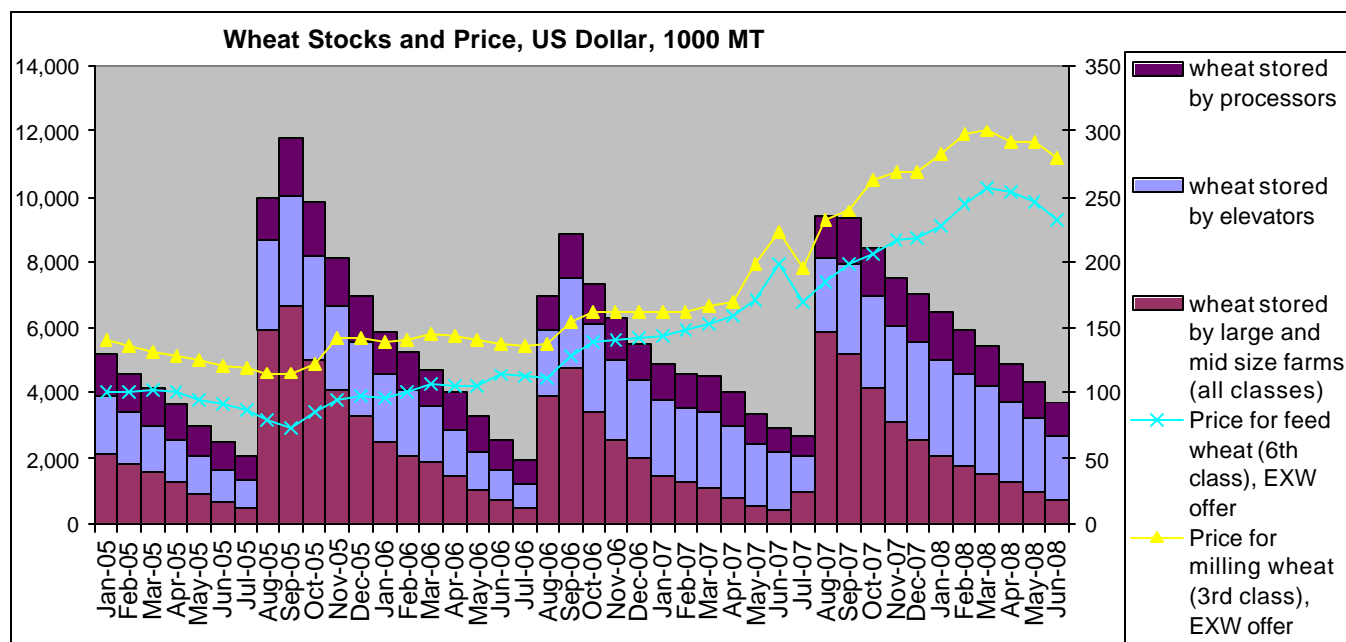
Following the cancellation of grain export quotas, export volumes increased exponentially in May. Official Ukrainian statistics show grain exports in May 2008 totaled; wheat = 140,000 tons, barley = 250,000 tons and corn = 464,000 tons. Total July-May wheat exports totaled 428,000 tons; barley exports totaled 632,000 tons and corn 1,126,000 tons. (Please refer to the grain export tables (by month and destination) in the Statistical Tables Section.)

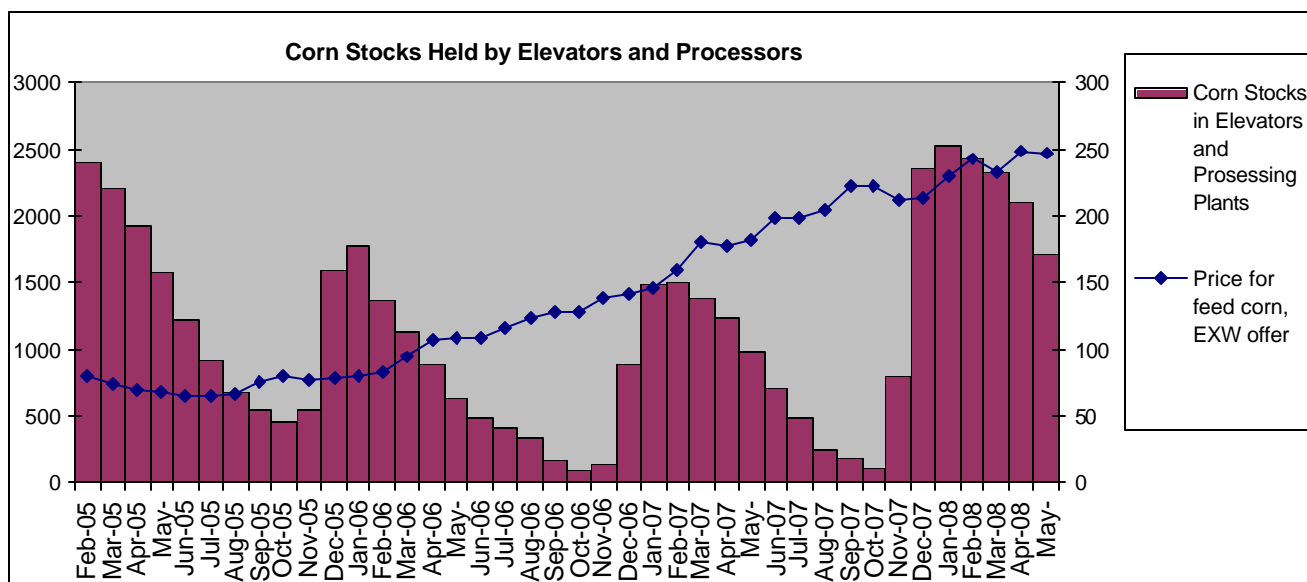
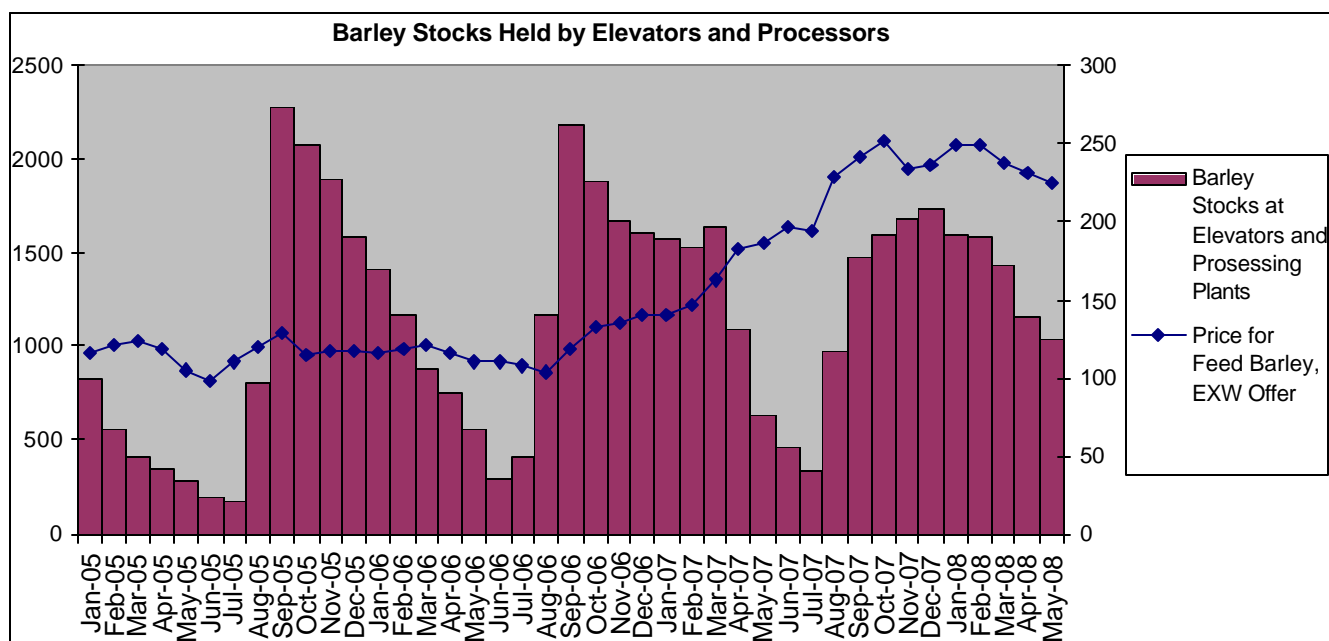
Grain exports were very active during the first half of June 2008. According to official port statistics, export totals through June 18, reached; 158,000 tons of wheat, 248,000 tons of barley and 125,000 tons of corn.

Final marketing year 2007/2008 grain exports could reach 700,000 tons for wheat, 1 million tons for barley and 1.3 million tons for corn.

Stocks

June 2008 grain stocks are 44% higher than June 2007 grain stock levels. According to inland silo industry information, silos are currently at full capacities, much higher levels than in an average year. The owners of these silos are also expecting to have some difficulties accommodating grain from the new record high crop. One time storage capacity of inland silos is estimated to be approximately 25-28 million tons for all crops, including oilseeds. Total 2007/2008 grain stocks amounted to 6.7 million tons on June 1 and about 0.7 million tons of oilseeds.





Statistical Tables

Wheat Exports by Month and Destinations for MY 2007/2008

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	TOTAL
Israel	44.1	3.0	0.0	0.0	0.0	0.0	0.0	0.0	32.4	7.8	14.5	101.7
Jordan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.2	25.2
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.7	10.7
Turkey	0.0	0.2	0.0	0.1	0.1	0.0	0.0	0.0	24.5	4.8	0.6	30.1
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.9	0.0	29.3	53.2

Italy	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.5	0.0	15.1	49.0
Egypt	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.1	0.0	0.0	23.4
Belarus	0.0	0.2	0.0	0.0	0.0	0.0	0.0	1.2	6.8	0.0	0.0	8.2
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	6.6	9.4	22.7
Armenia	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0	6.1
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1	0.0	8.4	13.5
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	0.0	0.0	3.5
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.8	0.0	5.8
Lithuania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	1.8	2.6
Tunisia	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.2	32.0
Kenya	38.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	39.0
TOTAL	105.9	3.5	1.0	0.1	0.1	0.0	0.0	1.2	153.3	22.0	140.6	427.8

Source: State Statistics Committee of Ukraine

Barley Export by Month and Destinations for MY 2007/2008

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	TOTAL
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	110.1	42.0	209.2	361.3
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	15.5
Jordan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.4	4.1	0.0	47.6
Turkey	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.8	31.8	5.6	0.0	51.2
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.1	6.7	0.8	23.7
Cyprus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	13.5	11.0	39.2
Israel	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.7	3.9	0.0	25.0
Syria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.1	6.8	9.3	0.0	32.2
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	6.3
United Kingdom	0.0	2.7	0.0	0.0	0.0	0.0	0.0	1.3	3.0	0.0	0.0	7.0
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.7	1.5	4.1
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.2	1.3
Morocco	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.9	13.6
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	0.0	2.8
TOTAL	9.2	2.7	0.0	0.0	0.0	0.0	0.0	31.2	249.1	89.4	250.1	631.7

Source: State Statistics Committee of Ukraine

Corn Export by Month and Destinations for MY 2007/2008

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	TOTAL
Lithuania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.2	67.5	9.3	14	99.0
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.3	56.0	60.0	80	219.4
Russia	0.0	0.0	0.0	0.0	0.0	0.5	0.6	9.2	48.9	27.6	50	136.8
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	28.0	13.1	34	80.1
Bulgaria	0.0	0.0	2.9	0.0	0.0	0.0	0.0	16.5	24.9	0.0	10	54.2
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.0	19.9	66	107.9
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	22.7	62	101.7
Turkey	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.3	5.0	79	105.8
Cyprus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	11.6	9.6	19	43.1
Armenia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	11.4	0.0	0.0	14.4

Latvia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	11.1	8.1	0.0	23.8
Netherlands	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.6	2.6	0.0	14.9
Moldova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.1	2.1	0.0	11.2
Estonia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	2.1	0.0	10.1
Georgia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	3.6	0.0	10.6
Albania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	0.0	0.0	4.9
Malta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0	3.0
Romania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.9	0.0	0.0	1.4
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.5	0.0	0.0	0.0	27.5
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	13	17.8
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.0	37	37.0
TOTAL	9.1	0.0	2.9	0.0	0.0	0.5	0.6	100.5	357.9	190.7	464	1126.2

Source: State Statistics Committee of Ukraine